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Message Text

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42
ACTION SS-30

INFO OCT-01 ISO-00 SSO-00 /031 W
---------- 044165
O P 081700Z JAN 74 ZFF-5
FM AMEMBASSY PANAMA
TO SECSTATE WASHDC IMMEDIATE 9457
INFO GOVENOR PANCANAL PRIORITY
USCINCSO PRIORITY
US MISSION USUN NEW YORK 418 PRIORITY
US MISSION GENEVA PARIORITY 54

S E C R E T SECTION 1 OF 3 PANAMA 0112

EXDIS

FOR SECRETARY FROM BUNKER

EO 11652 GDS
TAGS: PFOR, PN
SUBJ: US-PANAMA TREATY NEGOTIATIONS: JANUARY 6-7 TALKS IN PANAMA

I. INTRODUCTION-SUMMARY

THIS SECOND ENGAGEMENT WITH THE PANAMANIANS ON CONTADORA ISLAND WAS BRIEF BUT BENEFICIAL.
IT RELIEVED APPREHENSION THAT THE PANAMA NEGOTIATION WAS SLIPPING ON THE SCALE OF AMERICAN FOREIGN-POLICY PRIORITIES.
IT ACCENTED THE NEW "FORTHCOMING" POSTURE OF THE UNITED STATES TOWARD PANAMA, REVEALED TO THE PANAMANIANS IN THE ANNOUNCEMENT FROM SAN CLEMENTE DECEMBER 28 OF UNILATERAL ACTIONS INTENDED TO MODERNIZE OUR OPERATIONS IN THE CANAL ZONE.
IT PERMITTED PUTTING FINAL TOUCHES TO THE EIGHT "PRINCIPLES" WHICH THE FOREIGN MINISTER AND I INITIALED AS CHIEF NEGOTIATORS.
THEY NOW AWAIT THE APPROVAL OF MINISTERS.

SECRET

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I BELIEVE IT ALSO PROVIDED EVIDENCE AVAILABLE FOR YOUR USE IN MEXICO IN THAT THE "NEW DIALOGUE" HAS BEEN PROMPTLY INITIATED AND PROMPTLY PRODUCTIVE.
IT ALSO PROVIDED AGREEMENT ON A REASONABLE SCENARIO FOR THE CONDUCT OF FUTURE NEGOTIATIONS.
LASTLY IT LED TO CONFIRMATION THAT THERE IS A NEGOTIATING

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MOMENTUM HERE WHICH WE OUGHT NOT TO ALLOW TO FALTER.
I BELIEVE THESE DEVELOPMENTS IN THE SHORTER RUN WILL
RELIEVE SOME OF THE FOREIGN PRESSURES UPON YOU, BUT THEY MAY
CREATE SOME DOMESTIC PRESSURES. FOR THE LONGER RUN THEY WILL
MAKE IT EAISER TO MOVE INTO TRUE TREATY NEGOTIATION, BUT THEY
SHOULD NOT OBSCURE THE DIFFICULTIES OF RECONCILING DISPARITIES
BETWEEN WHAT I CHARACTERIZE AS PANAMANIAN AND AMERICAN NATIONAL-
ISM ON THE ISSUE OF THE PANAMA CANAL.

II. ADDED MIDDLE-EAST RESPONSIBILITIES
MY VISIT CONFIRMED YOUR MESSAGE TO THE FOREIGN MINISTER FROM
CAIRO EMPHASIZING THAT MY ADDITIONAL RESPONSIBILITIES IMPLIED
NO DIMINUTION OF YOUR PERSONAL INTEREST IN THE PANAMA
NEGOTIATION, AND ON THIS COUNT THE PANAMANIANS NOW SEEM
CONTENT. THEY HAVE ACCEPTED AS ENTIRELY NATURAL THAT ONCE WE
COMPLETE THE "JOINT STATEMENT OF PRINCIPLES" EXERCISE, THE
DEPUTY NEGOTIATORS SHOULD TAKE OVER FOR A PROTRACTED PERIOD.

III. UNILATERAL U.S. ACTIONS
THE PANAMANIANS WERE IMPRESSED AT THE DECEMBER 28 ANNOUNCEMENT
FROM SAN CLEMENTE THAT THE PRESIDENT WILL SEEK LEGISLATION
DELIVERING INTO PANAMANIAN HANDS TWO AIRSTRIPS IN THE CANAL ZONE
AND THE AUTHORITY TO OPERATE THE LOTTERY THERE.
I BELIEVE THAT ANNOUNCEMENT PROVIDES YOU WITH THE FIRST PART OF
THE TWO-PART EVIDENCE YOU WOULD HAVE AVAILABLE FOR USE IN MEXICO
IN FEBRUARY THAT THE "NEW DIALOGUE" WITH LATIN AMERICA HAS BEEN
PROMPTLY INITIATED AND AS PROMPTLY PRODUCTIVE.
YOU WOULD BE ABLE TO CHARACTERIZE THESE LEGISLATIVE REQUESTS
AS HAVING DERIVED FROM THE FRANK, INFORMAL TALKS YOU ASKED ME TO
UNDERTAKE WITH THE PANAMANIANS, FULFILLING YOUR OCTOBER 5
COMMITMENT THAT NO TREATY ARRANGEMENT IN THE AMERICAS WOULD BE
BEYOND EXAMINATION.
THERE WAS OF COURSE JUSTIFICATION FOR PROCEEDING WITH THE
UNILATERAL ACTIONS IN ORDER TO HELP GENERAL TORRIJOS KEEP HIS
DOMESTIC POLITICAL HOUSE TRANQUIL WHILE WE NEGOTIATE. YET IT
SECRET

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WAS THE REVELATION OF A NEW PANAMANIAN FLEXIBILITY OF NEGOTIATION
DURING MY FIRST VISIT HERE -- CONFIRMED DURING A SUBSEQUENT VISIT
OF MY DEPUTY FOR PANAMA MATTERS -- WHICH MORE THAN ANY OTHER FACTOR
OCCASIONED BY RECOMMENDATION TO YOU THAT WE PROCEED WITH THE
LEGISLATIVE REQUESTS.

IV. AGREEMENT ON PRINCIPLES
THE SECOND PART OF THE EVIDENCE WOULD CONSIST OF THE "JOINT
STATEMENT" YOU PLAN TO INITIAL WITH PANAMA'S FOREIGN MINISTER.
AS YOU RECALL THE DEPUTY NEGOTIATORS HAS WORKED OUT AND
INITIALED IN MID-DECEMBER A SET OF EIGHT PRINCIPLES, AD REFERENDUM
TO THE CHIEF NEGOTIATORS AND, THEREAFTER, TO MINISTERS. THEY
REFLECT A POSITION ON PANAMA'S PART NOT HERETOFORE RESERVED; A
WILLINGNESS THAT THE UNITED STATES SHOULD CONTINUE TO POSSESS THE
ATTRIBUTES, SOME JURISDICTIONAL, CENTRAL TO OPERATION AND

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DEFENSE OF THE BASIC WATERWAY.
WHAT APPEARS TO BE CONCESSIONARY ON THE UNITED STATES' PART
IS IN FACT A COMPLEX OF MOVEMENTS WE HAVE BEEN PREPARED TO MAKE
FOR SOME TIME. THESE MOVEMENTS, SUCH AS ENABLING PANAMA'S
"PARTICIPATION" IN THE ADMINISTRATION AND DEFENSE OF THE CANAL,
LIE ENTIRELY WITHIN THE EXISTING PRESIDENTIAL GUIDELINES AND
COMMIT THE UNITED STATES TO NOTHING EXCEPT TO WORK OUT THE
FASHION OF PANAMANIAN PARTICIPATION
IN A NEW TREATY.

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ACTION SS-30

INFO OCT-01 ISO-00 SSO-00 /031 W
---------- 044259
O P 081700Z JAN 74 ZFF-5
FM AMEMBASSY PANAMA
TO SECSTATE WASHDC IMMEDIATE 9458
INFO GOVENOR PANCANAL PRIORITY
USCINCSO PRIORITY
US MISSION USUN NEW YORK PRIORITY 419
US MISSION GENEVA PRIORITY 55

S E C R E T SECTION 2 OF 3 PANAMA 0112

EXDIS

ZFF-5 US MISSIO GENEVA ONLY

IT IS INTERESTING THAT PANAMA MADE STILL ANOTHER CONCESSIONARY
GESTURE RESPECTING THE PRINCIPLES DURING THIS VISIT. IN THE
DEPUTIES' VERSION OF PRINCIPLE 8, DEALING WITH THE RIGHT OF THE
UNITED STATES ULTIMATELY TO EXPAND CANAL CAPACITY SHOULD IT SO
DESIRE, THERE HAD BEEN INCORPORATED PHRASEOLOGY WHICH LEGAL
COUNSEL IN WASHINGTON FEARED COULD BE INTERPRETED AS GIVING PANAMA
TOO DECISIVE A VOICE IN A DECISION ON CANAL EXPANSION AND,
HENCE, AS CONTRAVENING EXISTING PRESIDENTIAL INSTRUCTIONS.
WHILE I MYSELF REGARDED THE PHRASEOLOGY AS SUITABLY AMBIGUOUS,
AND IN ANY CASE SHOULD CERTAINLY NOT HAVE AGREED TO ANY DILUTION
OF THIS U.S. RIGHT WHEN THE MOMENT OF DRAFTING OF TREATY
ARTICLES ARRIVED, MINDFUL OF COUNSELS' CONCERNS. I SUGGESTED
TO THE FOREIGN MINISTER ALTERNATIVE PHRASEOLOGY -- PREVIOUSLY
CLEARED FULLY IN WASHINGTON AND PREFERRED BY THE DEPARTMENT OF
DEFENSE -- TO ELIMINATE THE AMBIGUITY IN OUR FAVOR.
THAT WAS NOT AT ALL EASY FOR HIM TO ACCEPT, AS PANAMA HAS
ALWAYS HOPED FOR A STRONG MEASURE OF MUTUALITY IN THE DECISION-
MAKING REGARDING CANAL EXPANSION. MOREOVER, IT WAS
POLITICALLY MOST DIFFICULT FOR THE FOREIGN MINISTER THAT I
"REOPENED" HE PRINCIPLES AGREEMENT AT ALL. TORRIJOS AND MANY

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OTHER KEY PRIVATE AND PUBLIC PANAMANIANS HAD APPROVED THE
DEPUTIES' VERSION, AND THE GOVERNMENT WAS BUT TWO DAYS AWAY FROM
SECRET

THE TOUCH ANNIVERSARY ON JANUARY 9 OF THE STUDENT RIOTS A DECADE
AGO.
BUT HE DID ACCEPT IT, THOUGH HE ADDED A FEW FRILLS FOR
PANAMANIAN PUBLIC CONSUMPTION PURPOSES TO WHICH I HAD NO
OBJECTION. HE DID SO, IT IS WOTH NOTING, WITHOUT SEEKING
COMPENSATING U.S. CONCESSIONS IN THE "PACKAGE DEAL" OF PRINCIPLES
WHICH I HAD REOPENED. THE TEXT OF THE NEW PRINCIPLE 8 IS SET OUT
AT THE END OF THIS MESSAGE.

FROM THE MINISTER'S ACCEPTANCE AND FROM CONVERSATIONS HELD ON
THE SUBJECT I TAKE IT THAT PANAMA HAS NO LONGER, IF INDEED IT
TRULY EVER HAD, AN INTENT SERIOUSLY TO CIRCUMSCRIBE THIS U.S.
RIGHT. PANAMA ONLY DOES NOT WISH TO BE LEFT OUT IN THE COLD
RESPECTING MASSIVE FOREIGN CONSTRUCTION ACTIVITY ON ITS TERRITORY
AND I MUST SAY I CANNOT FAULT IT FOR THAT.
WITH THAT TEXTUAL AMENDMENT WE INITIALED THE PRINCIPLES
DOCUMENT IN OUR CAPACITIES AS CHIEF NEGOTIATORS AND IT
NOW AWAITS MINISTERIAL-LEVEL APPROVAL.

ON THE QUESTION OF CONGRESSIONAL REACTION,YOU WILL RECALL THAT
I TESTED THE MOOD OF KEY MEMBERS OF BOTH HOUSES BEFORE MY FIRST
VISIT TO PANAMA, AND AGAIN BEFORE THE SAN CLEMENTE ANNOUNCEMENT
OF THE UNILATERAL LEGISLATIVE REQUESTS. MY
IMPRESSION THUS FAR IS THAT MODERATE OPINION WILL PREVAIL ON
PANAMA ISSUES, PROVIDED OF COURSE THAT THERE IS AN ADEQUACY
OF ADMINISTRATION SUPPORT.
REFERRING BACK TO THE "EVIDENCE" AVAILABLE FOR YOUR POSSIBLE
USE IN MEXICO, THE FACT THAT THE TWO COUNTRIES HAD BEEN ABLE IN
UNDER TWO MONTHS TO REACH AGREEMENT THROUGH QUIET BILATERAL
CONVERSATION ON PRINCIPLES CRITICAL TO A NEW TREATY; THE FACT
THAT THE AGREEMENT WOULD SURELY BE RECOGNIZED TO HAVE RESULTED
NOT FROM PANAMANIAN EXTORTION NOR UNITED STATES IMPOSITION BUT
FROM COMPROMISING; AND THE FACT THAT THE PRINCIPLES COULD BE
READ TO INDICATE A SHEDDING BY THE UNITED STATE OF THE ALLEGEDLY
"COLONIALIST" TRAPPINGS IN THE CANAL ZONE -- THOSE FACTS MIGHT
GO FAR TOWARD DEFLATING THE LATIN AMERICAN AND OTHER STATEMEN WHO
HAVE CRITIZED THE MANNER OF OUR PRESENCE IN THE ZONE AND
SOUGHT TO MULTILATERALIZE THE PANAMA ISSUE.

V. TEXT OF THE "JOINT STATEMENT"

SECRET

AS FOR THE "PREAMBLE" TO THE ENUMERATION OF THE PRINCIPLES,
I HAD THOUGHT WE MIGHT KEEP IT BRIEF SO AS NOT EXCESSIVELY
TO RAISE PANAMANIAN EXPECTATIONS NOR AMERICAN FEARS. I HAD ALSO

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THOUGHT HIGHLY OF JACK KUBISH'S SUGGESTION THAT YOU AND FOREIGN
MINISTER TACK COULD THEN READ INDIVIDUAL STATEMENTS AT THE
MOMENT OF SIGNATURE WHICH WOULD REFLECT THE PARTICULAR SENTIMENTS
AND POLICIES OF THE TWO GOVERNMENTS. TACK, FOR EXAMPLE, COULD
SPEAK OF THE PRINCIPLES AS A MILESTONE IN THE LONG MARCH TOWARD
THE PERFECTION OF PANAMA'S INDEPENDENCE, AND YOU COULD SPEAK OF
THEM AS NOT SOLELY AN OPERATIVE ACT IN THE NEGOTIATION PROCESS BUT
ALSO AS A GUIDEPOST TO THE WAY IN WHICH THE UNITED STATES WISHES
TO MOVE IN THIS HEMISPHERE.
I HANDED THE MINISTER A DRAFT TEXT OF A PREAMBLE (WHICH HAD
BEEN CLEARED IN WASHINGTON IN A MORE EXTENSIVE VERSION),
SAYING IT REPRESENTED "PERSONAL THOUGHTS" ONLY AND REQUESTING
HIS COMMENTS. THE MINISTER SEEMED TO BE ATTRACTED TO THIS
PROCEDURE, IS STUDYING THE "THOUGHTS", AND PRESUMABLY WILL HAVE
EDITORIAL REVISIONS TO SUGGEST.

SECRET

44
ACTION SS-30

INFO OCT-01 ISO-00 SSO-00 /031 W
---------- 044311
O P 081700Z JAN 74 ZFF-5
FM AMEMBASSY PANAMA
TO SECSTATE WASHDC IMMEDIATE 9459
INFO GOVENOR PANCANAL PRIORITY
USCINCSO PRIOIRITY
US MISSION USUN NEW HORK PRIORITY 420
XUS MISSION GENEVA PRIORITY 56

S E C R E T SECTION 3 OF 3 PANAMA 0112

EXDIS

ZFF-5 US MISSION GENEVA ONLY

ONCE HE AND I HAVE SOME AGREMENT ON THIS STATEMENT, I
SHALL FORWARD IT FORMALLY TO YOU TOGETHER WITH THE "FINAL" VERSION
OF THE PRINCIPLES AND A SUGGESTED FRAFT OF THE INDIVIDUAL STATEMENT
YOU MIGHT MAKE.

VI, SCENARIO FOR THE FUTURE
I BELIEVE IT FAIR TO SAY FROM THIS LAST VISIT THAT THERE
IS NOW A NEGOTIATING MOMENTUM -- SUBSTANTIVE AND, AS IMPORTANTLY,
PSYCHOLOGICAL-- WHICH HAS NOT EXISTED FOR A TIME AND WHICH SHOULD
BE SUSTAINED IF THIS PROBLEM IS TO BE SETTLED AMICALY AND IN THE
OT UNDISC RNIBLE FUTURE. THAT IS ESPECIALLY SO BECAUSE, AS IS
OFTEN THE CASE IN SUCH EXPEDITIONS, THE MOMENTUM ITSELF HELPS
MEASURABLY TO SURMOUNT QUITE DIFFICULT OBSTACLES AHEAD.
AND IT IS PRIMARILY FOR THE UNITED STATES TO DO THE SISTAINING.

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DESPITE THE RAPPORT AND TRUST WHICH I TAKE TO HAVE BEEN CREATED
RECENTLY, THE PANAMANINS REMAIN A LITTLE DOUBTING ... A LITTLE
IN THE "SHOW ME" FRAME OF MIND WHICH YEARS OF FRUITLESS NEGOTIATION
AND OF GENERAL UNITED STATES INATTENTIVENESS HAVE INDUCED, ALSO,
THEY WILL BE SUBJECT TO OCCASIONAL FIS OF FEAR THAT IN THE
NEGOTIATIONS THE UNITED STATES IS, SOMEHOW OR ANOTHER, DOING
THEM IN, AND IT WILL BE NECESSAY TO TRANQUILIZE THEM. ON OCCASION
THAT MAY REQUIRE SOMEWHAT MORE THAN CONSTANT REASSURANCE THAT THE
SECRET

UNITED STATES DOES NOT HAVE MOTIVES OR GOALS IN THE NEGOTIATIONS
WHICH ARE NOT APPARENT FROM THE AMERICAN NEGOTIATORS WORDS.
ACCODINGLY I SUGGESTED TO THE FORE GN MINISTER THAT
FOLLOWING THE ANNOUNCEMENT OF THE JOINT STATEMENT OUR DEPUTIES
SHOULD BEGIN MEETING* IN PANAMA CITY AND WASHINGTO, TO PUT SOME
FLESH ON THE BONES OF THE EIGHT PRINCIPLES. ONCE THEY HAD SONE
SO, IDENTIFYING AREAS OF AGREEMENT AND DISAGREEMENT, TE MINISTER
AND I COULD MEET AGAIN TO NEGOTIATE OUR DIFFERENCES AND APPROVE
THE PAPERS. THOSE WOULD THEN STAND AS FIRM INSTRUCTIONS FOR THE
DRAFTING OF ACTUAL TREATY ARTICLES. THE MINISTER AGREED. HE
ADDED THAT HE WOULD WISH TO RETURN COMPLIMENTS BY JOURNEYING
TO WASHINGTON FOR THE NEXT ENGAGEMENT.

VII. PRINCIPLE 8
THE INITIALED VERSION READS AS FOLLOWS:
BEGIN QUOTE
THE REPUBLIC OF PANAMA AND THE UNITED STATES OF AMERICA,
RECOGNIZING THE IMPORTANT SERVICES RENDERED BY THE INTER-
OCEANIC CANAL OF PANAMA TO INTERNATIONAL MARITIME TRAFFIC, AND
BEARING IN MIND THE POSSIBILITY THAT THE PRESENT CANAL COULD
BECOME INADEQUATE FOR SAID TRAFFIC, WILL AGREE BILATERALLY ONPROVISIO
NS FOR NEW PROJECTS WHICH WILL ENLARGE CANAL
CAPACITY. SUCH PROVISIONS WILL BE INCORPORATED IN THE NEW TREATY IN
ACCORD WITH THE CONCEPTS ESTABLISHED IN PRINCIPLE 2. END QUOTE.
SAYRE

SECRET

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TAGS: PEPR, PN, US
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